

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08  
EA-10 FRB-03 INR-10 IO-13 NEA-11 NSAE-00 ICA-11  
OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00  
OMB-01 SS-15 /111 W  
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R 122211Z MAY 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 1505  
INFO ALL OECD CAPITALS

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USOECD

USEEC ALSO FOR EMBASSY

E.O. 11652: N/A  
TAGS: ECON, OECD  
SUBJECT: PARAGRAPH 17 OF 1977 MINISTERIAL COMMUNIQUE -  
SPECIAL PROBLEMS OF "SOME MEMBER COUNTRIES" (I.E.,  
LESS DEVELOPED MEMBERS OF OECD)

1. SUMMARY AND INTRODUCTION. AT MAY 9 HEADS OF  
DELEGATION MEETING, SECRETARY-GENERAL ANNOUNCED  
LAUNCHING OF ONE YEAR PROJECT DESIGNED TO GENERATE  
REPORT TO SECRETARY-GENERAL (AND, IF SUITABLE, FOR  
CONSIDERATION AT 1979 MINISTERIAL) ON SPECIAL PROBLEMS  
OF "SOME MEMBER COUNTRIES" PARTICULARLY AFFECTED BY  
PRESENT CYCLICAL AND STRUCTURAL PROBLEMS. PROMPTED BY  
ADOPTION OF PARAGRAPH 17 IN THE 1977 MINISTERIAL COM-  
MUNIQUE, SECRETARIAT HAS MADE SPECIAL EFFORT OVER PAST  
TWELVE MONTHS TO FOCUS ON "LABOR SURPLUS" COUNTRIES  
(ONE EUPHEMISM FOR LESS DEVELOPED OECD MEMBER COUNTRIES)  
AND IDENTIFY THEIR "SPECIAL PROBLEMS" INCLUDING FINANC-

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ING NEEDS. THIS WORK HAS BEEN UNDERTAKEN PRINCIPALLY  
BY EPC WP-2 AND TEMPORARY WORKING PARTY PLUS MANPOWER  
AND SOCIAL AFFAIRS COMMITTEE (KINDLEBERGER REPORT).  
AS RESULT THESE PRELIMINARY STUDIES, SECRETARIAT HAS  
DEVELOPED OUTLINE OF FULL-BLOWN INTEGRATED STUDY TO BE  
CARRIED OUT UNDER GENERAL DIRECTION OF AN OUTSIDE CON-  
SULTANT, PROFESSOR FUA OF UNIVERSITY OF ANCONA, ITALY.

END SUMMARY.

2. MANDATE OF STUDY, AS PRESENTED TO MAY 9 MEETING BY SECRETARIAT (FAY, HEAD OF ECONOMICS AND STATISTICS FACT ARE THE COMMON OR INDIVIDUAL PROBLEMS OF THE COUNTRIES IN QUESTION? SECONDLY, DO THESE PROBLEMS DISTINGUISH THOSE COUNTRIES MEANINGFULLY FROM OTHER MEMBER COUNTRIES WHEN IT COMES TO DESIGNING STABILISATION OR DEVELOPMENT POLICIES? THIRDLY, WHAT CAN THE COUNTRIES IN QUESTION DO TO HELP THEMSELVES IN WAYS WHICH PERHAPS ARE NOT FULLY BEING EXPLOITED NOW? FOURTHLY, WHAT CAN OTHER MEMBER COUNTRIES BEST DO TO HELP THESE COUNTRIES IN QUESTION?"

3. FAY EMPHASIZED THAT IN ADDITION TO PROFESSOR FUA (WHO PAID FROM CONSULTANCY FUNDS IN BUDGET) STUDY WOULD BE STAFFED BY OECD SECRETARIAT WITHIN EXISTING RESOURCES, DRAWING ON BROAD RANGE OF SPECIALISTS FROM THROUGHOUT THE SECRETARIAT. AT LEAST AN INTERIM REPORT WILL BE SUBMITTED BY EARLY 1979.

4. SECRETARIAT NOTED OBSCURE LANGUAGE OF PARA. 17 WHICH FAILED TO IDENTIFY COUNTRIES CONCERNED AND FAY

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INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08  
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R 122216Z MAY 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 1506  
INFO ALL OECD CAPITALS

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EMPHASIZED THAT TO BE USEFUL PREPARATION OF REPORT

MUST HAVE COOPERATION OF INTERESTED COUNTRIES, PARTICULARLY AS TO DATA SOURCES, AND THEREFORE REQUESTED THAT COUNTRIES MAKE KNOWN THEIR INTEREST IN BEING INCLUDED AND PARTICIPATING IN PROPOSED STUDY AND DESIGNATE A CONTACT POINT IN THEIR CAPITALS.

5. ANNOUNCEMENT OF PROJECT RECEIVED MIXED REACTION FROM HEADS OF DELS. ITALY STRONGLY SUPPORTED, AS DID SPAIN, PORTUGAL, IRELAND. TURKEY QUESTIONED WHETHER REPORT WOULD BE "ACTION ORIENTED" TO SERVE AS BACKGROUND FOR POLICY DECISIONS TO BE TAKEN BY MEMBER GOVERNMENTS, OR MERELY A BLAND ANALYTICAL REPORT (LIKE MCCracken, KINDLEBERGER) WHICH WOULD SLOWLY FADE AWAY INTO OBSCURITY. GREECE WAS BOTHERED BY SECRETARIAT'S REQUEST FOR COUNTRIES TO EXPRESS THEIR DESIRE TO PARTICIPATE IN STUDY, PREFERRING THAT SECRETARIAT IDENTIFY PARTICULAR PROBLEMS AND SUBSEQUENTLY THOSE COUNTRIES MOST SERIOUSLY AFFECTED BY THEM. AUSTRALIA EXPRESSED OPINION THAT STUDY SHOULD LIMITED OFFICIAL USE

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NOT BE LIMITED TO COUNTRIES SELECTED, BUT SHOULD PROVIDE FOR MORE GENERAL CONSULTATION ON SPECIFIC PROBLEMS WHICH MAY BE OF GENERAL INTEREST.

6. SECRETARIAT HAD FORESHADOWED SUBJECT STUDY DURING RECENT EXECUTIVE COMMITTEE DISCUSSION OF NOTE SUBMITTED BY TURKISH PERMREP. ALTHOUGH DELEGATION WAS AWARE OF PROPOSED FUA CONSULTANCY, SEC GEN HAD CLEARLY NOT SMOOTHED THE WAY WITH COUNTRIES INVOLVED, THUS THE ROCKY RECEPTION BY HEADS OF DEL. NEVERTHELESS, STUDY WILL GO FORWARD AND SHOULD PROVIDE BASIS FOR AGENDA ITEM AT 1979 MINISTERIAL.

7. COMMENT: IT WILL BE RECALLED THAT ARTICLE 17 OF 1977 MINISTERIAL COMMUNIQUE, RESULTED FROM INITIATIVE PUSHED PARTICULARLY BY ITALY, TURKEY, GREECE, SPAIN AND PORTUGAL. MISSION NOT CLEAR WHETHER SOURCE OF INITIATIVE WAS LOCAL PERMREPS OF THESE COUNTRIES OR INTEREST IN CAPITALS. WE HAVE IMPRESSION, HOWEVER, GIVEN ACTUAL OR POTENTIAL EC MEMBERSHIP OF ALL INVOLVED (EXCEPT TURKEY) THAT CAPITALS MAY BE LOOKING MORE TO BRUSSELS THAN TO PARIS ON THIS, PARTICULARLY ON DELICATE QUESTION OF CHARACTERIZATION, E.G AS "LESS DEVELOPED MEMBER COUNTRY". SECRETARIAT, ON OTHER HAND, FEELS BOUND, FOR POLITICAL REASONS, TO DO SOMETHING IN RESPONSE TO PARAGRAPH 17 AND ALTHOUGH NOT VERY ENTHUSIASTIC ABOUT PROPOSED STUDY HAS UNDERTAKEN IT AS LEAST COSTLY WAY OF RESPONDING. MISSION PLANS TO TACITLY SUPPORT SECRETARIAT PROPOSAL UNLESS OTHER-

WISE INSTRUCTED.

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## Message Attributes

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